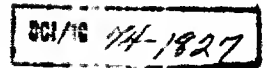



ECONOMIC INTELLIGENCE COMMITTEE



5 September 1974

MEMORANDUM FOR : 
AD/DCI/IC

SUBJECT : DCI's Annual Report to the President

REFERENCE : D/DCI/IC Memorandum for USIB Committee
Chairmen, 26 August 1974 (USIB-AM-9/74)

25X1

Attached is the EIC Contribution to the DCI's Annual Report to the President for FY 1974 in response to reference request.

25X1


MAURICE C. ERNST
Chairman

Attachment: as stated

25X1

SECRET

EIC Contribution to
the DCI's Annual Report to the President
Fiscal Year 1974

A. Overview

For the Economic Intelligence Committee (EIC), FY 1974 was a year of consolidation. Special emphasis was placed on informing Foreign Service Officers, Treasury attachés, and other overt field collectors of the intelligence collection requirements for the Washington economic community consisting of more than 20 USIB and non-USIB agencies. In so doing, the EIC sought -- and continues -- to assure that clandestine collection means are tasked only to the minimum essential degree.

In addition, the EIC, through its subordinate units, continued its regular publication of coordinated reports on trade and aid activities of Communist countries, participated in an international maritime intelligence conference; and completed a major study (jointly with the Scientific Intelligence Committee [SIC]) of Communist countries' computer capabilities.

B. Principal Activities

The Subcommittee on International Aid and Trade continued to publish its monthly Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World; an annual summary and a mid-year supplement were also published.

The Joint SIC/EIC Ad Hoc Computer Working Group's major study of Communist computer capabilities constituted an important contribution to CIEPSM No. 25 -- US Policy on the Export of Computers to Communist Countries.

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The Subcommittee on Electronics and Telecommunications informally reviewed substantive papers produced by its member agencies and issued monthly reports on completed projects, research in progress, and planned projects.

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The Subcommittee on Requirements and Coordination improved the effectiveness of the eight triannual, regional Economic Alert Lists (EALs) that are the primary vehicles for providing guidance to overt field collectors of economic intelligence. In particular, responses to a survey of 32 embassies led to the establishment of interagency, substantive review panels, which now vet the entries submitted by the community's analysts. The panels also identify the subjects considered to be of highest priority interest to US policymakers for the coming four-month period.

C. Outlook

During the course of the current fiscal year, the EIC will focus on guiding and coordinating the economic intelligence effort of the US Government so as to improve the reporting and dissemination of information on foreign economic developments of national interest. Thus, it will assist the NIO for Economics and Energy in his review and evaluation of field collectors' responses to the guidance provided them. It will establish, in coordination with the SIGINT Committee, a procedure for providing coordinated community guidance for NSA's economic collection, working closely with that agency to increase the SIGINT contribution to the economic intelligence effort. The present EIC subcommittee structure will be closely examined to assure maintenance of the best possible organization for coping with the changing intelligence needs of the second half of the 70s.